



ไม่ใช่แค่พัฒนาที่อยู่อาศัย
แต่เป็น
เพราะเรา ใส่ใจเพื่อทั้งชีวิต “อยู่ดี มีสุข”



“การอยู่(อาศัย)”

Enriching people's lives. *Live well Stay well.*   



3Q23 Market Overview

Real Estate Industry

- The real estate industry has experienced favorable factors during the previous quarter because of recent government initiatives, such as the economic promotional initiative and the visa exemption program targeting Chinese. These efforts have successfully increased the opportunities for Chinese customers to transfer housing ownership within the country. Consequently, the volume of condominium ownership transfers for first 8-month by international customers especially Chinese and Russian in main provinces including Phuket, Chonburi and Chiang Mai increased by over 60% and in Bangkok by 26%. However, there were still unfavorable factors throughout the year. These include rising interest rates that affect low-income customers who rely on banks for financing; rising construction costs for both land and construction materials; and rising energy costs for both electricity and fuel prices. In addition, ongoing global conflicts breed uncertainty and lower investor confidence generally.
- As a result of these factors, developers postponed launching new projects, both condominiums and landed properties. However, except for single-detached houses, where there is still a demand for purchases at all prices, the focus is on hastening the closing of ready-to-move in projects. The opening of single-detached house projects in provinces such as Chonburi and Rayong, which are designated special economic zones hosting numerous factories, and Phuket, known for its pool villa projects that are highly favored by foreigners, has experienced a surge in popularity.

Healthcare Industry

- Due to government policies to attract foreign visitors and Thailand's lower healthcare costs compared to other nations, many private hospitals are focusing more on offering services that meet the needs of foreign patients, such as cosmetic surgery, dentistry, orthopedics, and heart surgery. As a result, many companies across a range of industries have shifted their focus to investing in health promotion businesses especially health and wellness centers. They have also placed a strong emphasis on business expansion through partnerships in various forms, such as collaboration between hospitals, hotels, and other platforms that allow for the comprehensive exchange of information.
- The third quarter was regarded as the high season for hospital business as Thailand entered the rainy season, which led to an increase in seasonal illnesses over usual and the ongoing influx of foreign patients. Medical bill per patient is likely to increase due to increasingly complicated medical procedures, increased use of high value medical equipment after Covid, and the integration of technology to create systems that can adapt to various treatments and improve overall quality.

Company Performance Analysis

Table 1: Performance Comparison of the Company for Third Quarter and First Nine Months of 2023 and 2022

Statement of income	3Q23 (Bt million)	3Q22 (Bt million)	Increase/ (Decrease) (%)	9M23 (Bt million)	9M22 (Bt million)	Increase/ (Decrease) (%)
Revenue from sales of real estate	5,306	6,430	(17.5)	16,985	17,211	(1.3)
Revenue from hospital operations	474	330	43.5	1,325	777	70.7
Other Income	456	71	539.3	1,590	214	642.4
Total Revenues	6,235	6,832	(8.7)	19,900	18,201	9.3
Cost of sales of real estate ¹⁾	(3,686)	(4,371)	(15.7)	(11,522)	(11,763)	(2.0)
Cost of hospital operations ²⁾	(397)	(297)	33.6	(1,132)	(733)	54.4
Gross profit ³⁾	1,696	2,092	(18.9)	5,657	5,492	3.0
Selling and Administrative expenses	(1,376)	(1,287)	6.9	(4,013)	(3,362)	19.4
Loss on Exchange Rate	(36)	0	N/A	(46)	0	N/A
Profit from operating activities	740	877	(15.6)	3,187	2,343	36.0
Finance costs	(189)	(105)	80.4	(478)	(315)	51.8
Share of profit / (loss) of associate & joint ventures accounted for using equity method	30	7	345.1	31	30	1.5
Profit before income tax expense	581	778	(25.4)	2,740	2,058	33.1
Tax expense	(101)	(146)	(30.7)	(529)	(423)	25.0
Profit for the period	480	633	(24.1)	2,210	1,635	35.2
Non-controlling interests	88	13	554.8	129	34	276.4
Profit attributable to owners of the parent	392	619	(36.8)	2,082	1,601	30.1

Remark: Percentage in statement of income is calculated from total revenues, while 1) percentage of cost of sales of real estate, 2) cost of hospital operations is calculated from revenue from net sales of real estate and revenue from hospital operations, respectively and 3) Gross profit is calculated from revenue from net sales of real estate and revenue from hospital operations.

- Prukisa Holding PCL (“the Company”) reported 3Q23 total revenues of Bt6,235 million, dropped by 8.7% YoY due to real estate market slowdown as a result of weakened purchasing power of the target customers. On the other hand, the revenue from healthcare business increased significantly from the growth of non-Covid related revenue. The rising revenue was led by offering a wide range of health check-up packages and various packages to large corporates, insurance companies, foreign patients and returning patients. In addition, there was an extraordinary item from the transfer of business operation of Lab Plus One Co., Ltd., a subsidiary under Theptarin Hospital, to InnoQuest Diagnostic One (Thailand) Co., Ltd., in order to strengthen competitiveness of the group. However, 9M23 total revenues were reported of Bt19,900 million, rising 9.3% YoY due to favorable factors from the improving single-detached house market and its continuing ownership transfer of condominium from the previous year.
- In terms of profitability, the Company reported 3Q23 gross profit and net profit of Bt1,696 million and Bt392 million, decreasing by 18.9% and 36.8% YoY respectively. These were due to the increase in administration expenses and financing cost. On the other hand, the Company reported 9M23 gross profit and net profit of Bt5,657 million and Bt2,082 million or an increase of 3.0% and 30.1% YoY respectively as a result of the improving revenue from core businesses and the restructuring of precast business and supporting unit of healthcare business.

Revenue

Revenue from Real Estate Business

Table 2: Revenue from Real Estate Business by Product Type for Third Quarter and First Nine Months of 2023 and 2022

Revenue	3Q23 (Bt million)	3Q22 (Bt million)	Increase/ (Decrease) (%)	9M23 (Bt million)	9M22 (Bt million)	Increase/ (Decrease) (%)
Townhouse	2,137	2,631	(18.8)	6,581	7,643	(13.9)
Single-detached House	1,612	1,124	43.4	4,254	3,436	23.8
Condominium	1,527	2,580	(40.8)	6,019	5,394	11.6
Land Sale	30	95	(68.8)	131	737	(82.3)
Total Revenue from Real Estate Business	5,306	6,430	(17.5)	16,985	17,211	(1.3)

The Company reported 3Q23 and 9M23's revenue of Bt5,306 million and Bt16,985 million, up by 17.5% and 1.3% YoY respectively. This was mainly because of the lower purchasing power of low-income customers in which almost 40% of its available-for-sale projects were priced lower than Bt3 million per unit. This group has largely been affected by economy slowdown and continuing rising interest rates causing the Company to launch fewer new projects from this segment compared to last year. The revenue from condominium projects also dropped due to no new projects completed and transfer during the year. However, the Company has been offering the promotional pricing to attract more customers. Meanwhile, single-detached house business reported an increase YoY as a result of real demand particularly from high-income customers who was regarded as strong purchasing power and not affected by rising interest rate. This includes the housing market bounce-back from foreign buyers.

Revenue from Hospital Business

Table 3: Revenue from Hospital Business by Hospital Group for Third Quarter and First Nine Months of 2023 and 2022

Revenue	3Q23 (Bt million)	3Q22 (Bt million)	Increase/ (Decrease) (%)	9M23 (Bt million)	9M22 (Bt million)	Increase/ (Decrease) (%)
Revenue from ViMUT Hospital	243	194	25.0	642	641	0.2
Revenue from Theptarin Hospital	231	136	70.0	683	136*	403.3
Total Revenue from Hospital Business	474	330	43.5	1,325	777	70.7

Remark: A consolidation from Theptarin Hospital since August 2022

The Company reported revenue from hospital business for 3Q23 and 9M23 of Bt474 million and Bt1,325 million, up by 43.5% and 70.7% YoY respectively. Revenue from ViMUT Hospital accounted for 51.3% and 48.4% of total revenue from hospital, growing from both in- and out-patients despite lower number from in-patients related to Covid-19. However, the medical bills per patient increased thanks to increasingly complicated medical procedures coupled with more varieties of services and becoming more well-known. The Hospital has also set up foreign patient center and created partnership with international agency which led to a higher number of international patients with strong purchasing power especially Chinese, Burmese, Cambodian and Arabian. In addition, ViMUT also offered a variety of service and health check-up packages to large corporations and insurance companies as well as collaborated with other hospitals including the collaboration with Ramathibodi Hospital to grow additional revenues.

Other Revenue

The Company reported 3Q23 and 9M23 other revenue of Bt456 million and Bt1,590 million, rising 539.3% and 642.4% YoY respectively. During 3Q23, the increase was from the extraordinary item of Bt155 million due to gain from transferring Lab Plus One Co., Ltd., that operated medical laboratory business, to InnoQuest Diagnostics One (Thailand) Co., Ltd. which is the joint venture company between PAH (Thailand) Pte. Ltd. from Singapore and ViMUT Holding Hospital Co., Ltd. The deal purpose is to maximise the benefit of joint venture with PAH. Other revenue also included rental income from real estate business, precast factories and hospital business, income from liquidity management and extra charges from the change and cancellation of housing contracts, and other fines.

Cost

The Company reported 3Q23 and 9M23 cost of real estate sales of Bt3,686 million and Bt11,522 million, down by 15.7% and 2.0% YoY respectively. These were in proportion to a decrease in revenue from real estate sales. The cost of hospital business recorded at Bt397 million and Bt1,132 million, up by 33.6% and 54.4% YoY respectively. These were in line with the increasing revenue of the hospital expansion. However, the cost to revenue ratio from hospital business reduced following economy of scale and better cost management from shared resources between ViMUT Hospital and Theptarin Hospital.

Selling & Administrative Expenses

3Q23 and 9M23 selling and administrative expenses were reported of Bt1,412 million and Bt4,059 million or 22.6% and 20.4% of total revenue. The 9.7% and 20.7% increase YoY were due to a rise in administrative expenses from investment for the business expansion under Pruksa Group and the change in consolidation method for Theptarin Hospital's operational performance. However, the Company recorded the unrealized loss from exchange rate of Bt36 million in the third quarter which was the result of exchange rate fluctuation during the quarter from the financial transaction within the group to invest in other countries.

Finance Costs

3Q23 and 9M23 finance costs were reported of Bt189 million and Bt478 million, increasing by 80.4% and 51.8% YoY respectively. It was due to additional loan obtained for investment in business expansion in other countries; mainly in the same currencies for natural hedge, and the increase in policy interest rate.

Profit / (Loss)

3Q23 profit for the parent company posted at Bt392 million or 6.3% of total revenue, down by 36.8% YoY. This was mainly because of the decreasing real estate revenue impacted by the overall market as well as higher administration expenses from investment in related businesses. Meanwhile, 9M23 profit increased by 30.1% YoY to Bt2,082 or 10.5% of total revenue. The increase was from significant growth in revenue from hospital business as well as extraordinary items of the precast business expansion in 2Q23 and the transfer of laboratory business in 3Q23.

Table 4: Financial Position and Liquidity as of September 30, 2023 and December 31, 2022

	September 30, December 31,		September 30, December 31,	
	2023	2022	2023	2022
	(Bt million)		(Bt million)	
Assets			Liabilities and Equity	
Cash and cash equivalents	5,275	3,877	Trade accounts payable	1,353
Real estate development for sale	42,245	48,722	Other liabilities	5,726
Other current assets	4,381	1,514	Total non interest bearing debt	7,079
Total current assets	51,901	54,114	Short-term loans	5,091
Property, plant and equipment	5,841	8,007	Current portion of long-term loans	678
Other non-current assets	13,845	6,535	Long-term loans	3,151
Total non-current assets	19,686	14,542	Current portion of long-term debentures	6,000
			Long-term debentures	4,000
			Total interest bearing debt	18,920
			Total liabilities	25,999
			Equity	43,887
			Non-controlling interests	1,701
Total assets	71,587	68,656	Total liabilities and equity	71,587

Remark: A summary of consolidated statement of financial position

As of September 30, 2023, the Company reported total assets of Bt71,587 million, up by 4.3% from December 31, 2022. It was a result of an increase in cash and cash equivalent as well as non-current assets. In terms of total liabilities of Bt25,999 million, up by 12.7% was due to bank loan for strategic investment and fund management to support the core businesses and investment in new business. The real estate business has 120 active real estate projects (excluding almost closed projects) with available-for-sale value of Bt61,543 million, including 70 townhouse projects with available-for-sale value of Bt28,268 million, 34 single-detached house projects with available-for-sale value of Bt19,163 million, and 16 condominium projects with available-for-sale value of Bt14,113 million.

Table 5: Key Financial Ratio

Financial Ratio	Unit	September 30, 2023	December 31, 2022
Return-on-Asset (ROA) ¹⁾	%	6.82	5.76
Return-on-Shareholder's Equity (ROE) ²⁾	%	7.50	6.35
Debt-to-Equity (D/E) ³⁾	Time	0.59	0.52
Net Interest-bearing Debt-to-Equity (Net IBD/E) ⁴⁾	Time	0.31	0.22

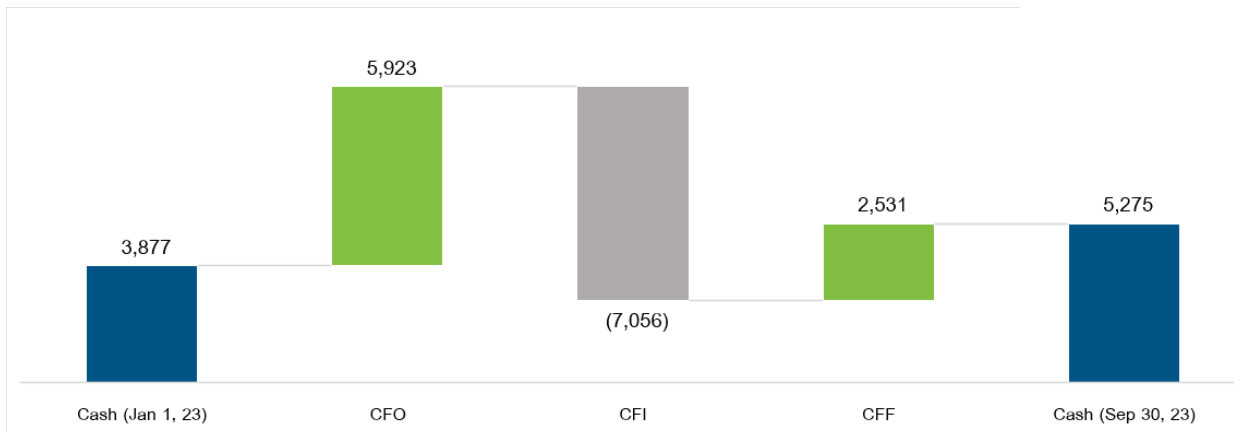
Remark: 1) ROA = EBIT divided by average total asset excluding right of use asset
2) ROE = net profit divided by average total equity attributable to owners of the parent
3) D/E = total debt divided by total equity attributable to owners of the parent
4) Net IBD/E = net IBD divided by total equity attributable to owners of the parent

As of September 30, 2023, the Company's return-on-asset ratio was 6.82% and return-on-equity ratio was 7.50%. Both ratios increased from end of 2022 reflecting the Company's capability in better utilizing assets and shareholders' equity to maximize return.

The Company's debt to equity ratio was 0.59x and net interest-bearing debt-to-equity ratio was 0.31x. Both ratios increased from end of 2022 due to higher proportion of bank loan as compared to shareholder's equity following the Company's strategic investment related to core businesses.

Picture 1: Cash Flow as of September 30, 2023

Unit: Bt million



The Company had net cash flow from operations of Bt5,923 million and cash flow used in investing activities of Bt7,056 million to invest in prop-tech, health-tech, logistics business and liquidity management. Cash flow from financing activities increased to Bt2,531 million due to investment loan.

Sustainable Development Performance

The Company is committed to driving business towards sustainability, reducing carbon emissions by 30% within 2030, and striving for carbon neutrality in the future.

In 3Q23, the Company has joined Mae Fah Luang Foundation under Royal Patronage in the project to manage carbon credit in the forest for sustainable development and has also collaborated with Royal Forest Department in ecosystem restoration project. This is to share carbon credits by setting up an activity with more than 600 employees and executives to plant trees for the total area of 370 Rais in Dan Khun Thot District, Nakhon Ratchasima Province. Meanwhile, the Company carries on Accelerate Impact with PRUKSA for the second season which was first started in 2022 to support SMEs and start-ups that operate business for society or make good impact to the society. In addition to financial supports, the Company also reinforced business skills and consultations in order to make businesses profitable and create positive community impact.

Moreover, during 9M23, solar roofs have been installed on Prukسا's projects clubhouses, example houses, executives and employees' houses under the group. By the end of 2023, the installation of solar roof at Precast factories is targeted to be completed. This project is estimated to save over 197,000 kilowatts of electricity usage or approximately Bt1 million.

4Q23 Company Outlook

The Company perceives a favorable prospect in the premium single-detached house market, as evidenced by its continued sales growth despite the prevailing market conditions including high household debt, rising interest rate and consumer goods price that significantly affect low-income customers. The healthcare business has benefited from initiatives aimed at boosting international visitor numbers. Furthermore, in the fourth quarter, as the rainy

season ended and the tourist season approached, these conditions were favorable for the healthcare business and aligned with government plans to promote health tourism.

In 4Q23, the Company plans to introduce a premium project known as The Palm priced Bt15-35 million per unit, which will feature healthcare services provided by ViMUT Hospital and mobile application-based living convenience to meet the needs of high-income customers who value convenience and well-being. Moreover, the Company partners with banks to provide Pruksa customers with home loans with low interest rates and monthly installment payments to increase sales and help middle-to-lower-class customers. An additional instance of innovative product development is the introduction of a new brand known as Baan GreenHaus, at a starting price of Bt1.29 million per unit, featuring technology for allocating common areas and co-living spaces for all ages. In terms of healthcare business, ViMUT Hospital is continuously recruiting doctors who specialize in treating difficult and complex diseases in response to the increasing number of outpatients and inpatients. In addition to offering a variety of service packages to large local corporates and insurance companies, the hospital is building relationships with agents in Southeast Asia and Middle Eastern embassies to expand its international clientele.

(Miss Surawee Chaithumrongkool)
Group Chief Financial Officer

Note: The data disclosed in the management discussion and analysis is consistent with the data disclosed in the financial statements for 3Q/2023, which was approved by the Board of Directors in the meeting no.10/2023 held on November 10, 2023.

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